

**RULE**

**Department of Revenue  
Policy Services Division**

**Termination or Transfer of a Business  
(LAC 61:I.4357)**

Under the authority of R.S. 47:308, R.S. 47:337.2, R.S. 47:337.21, and R.S. 47:1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, has amended LAC 61:I.4357 to provide for uniform state and local sales tax definitions in accordance with the provisions of Act 73 of the 2003 Regular Legislative Session.

Act 73 enacted the Uniform Local Sales and Use Tax Code, R.S. 47:337.1 et seq., to promote uniformity in the administration of state and local sales and use taxes by compiling the local sales and use tax laws in the revised statutes. Revised Statute 47:337.2(C)(2), which provides for the development of uniform state and local sales and use tax regulations, allowed local sales tax collectors until January 1, 2004, to file written requests with the Secretary of Revenue for amendments to any Department of Revenue regulation in effect on July 1, 2003, so that the regulation applies to both state and local sales and use taxes. Local collectors, through the Louisiana Association of Tax Administrators, filed a request with the Secretary of Revenue in December 2003 for amendments to several regulations. Requested amendments to the sales tax definitions are included in this Rule.

**Title 61**

**REVENUE AND TAXATION**

**Part I. Taxes Collected and Administered  
by the Secretary of Revenue**

**Chapter 43. Sales and Use Tax**

**§4357. Termination or Transfer of a Business**

A. ...

B. In order to insure that all taxes are paid by a discontinuing business, R.S. 47:308 and 47:337.21 require that the successor, successors, or assigns, if there are any, must withhold a sufficient portion of the purchase price to cover any taxes, penalties and interest due and unpaid at the time of the purchase. These funds must be withheld by the purchaser until the former owner can produce a receipt from the collector showing that the taxes have been paid or a certificate from the collector stating that there are no taxes, interest, or penalties due. If the purchaser of the business or of the stocks of goods fails to

withhold sufficient funds with which to pay any taxes, penalties, or interest found to be due, he shall be held personally liable for the payment of the amount due.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 47:308, R.S. 47:337.2, R.S. 47:337.21, and R.S. 47:1511.

**HISTORICAL NOTE:** Promulgated by the Department of Revenue and Taxation, LR 13:107 (February 1987), amended by the Department of Revenue, Policy Services Division, LR 31:100 (January 2005).

Raymond E. Tangney  
Senior Policy Consultant

0501#015